(145)

AIR TOUCH PRIORITY (WEEKA)

FOREIGN SERVICE DESPATCH

714.00(W)/8-2853

F790004-1091

TO : AMEMBASSY, GUATEMALA

FROM : THE DEPARTMENT OF STATE, WASHINGTON August 28, 1953

Action Taken 9/5/53

Note of Action Aug 29 1953

24 Dept. Only	ACTION CLI	DEPT. ARA I IBS IFI IRS S/MSA
8	REC'D Sept 1	OTHER ARMY NAVY AIR, CIA OCB PSB

Office Symbol IAD

107 - Phillips

SUBJECT: Joint Weeka No. 35 for Station, Army and Air Departments from SA - Section I

DECLASSIFICATION DATE 1/30/74

PER Chrman OFFICE ARA

FADRC FOI CASE NO. 740332

An Investigating Committee of the Guatemalan Congress this week cleared Sres. Ricardo BARRERA and René RUBIN, deputies-elect from Alta Verapaz, of charges of complicity in the March Salamá uprising in a report giving the public a glimpse of the substrata of corruption, gangsterism and personal rivalries in Administration political circles. The report held Sr. Alvaro Hugo SALGUERO, ex-Chief of President Arbenz' Information Office, responsible for forging a letter implicating them in order to keep them out of Congress. Sr. Salguero, in retaliation, revealed on the floor of Congress that the disputed elections had involved wholesale buying of the votes of Indian farm laborers, use of names from gravestones at the polls and bribery of politicians.

The Communists' emphasis on the Agrarian Reform as the keystone of their current program was again highlighted by the presence of Sres. José Manuel FORTUNY, Secretary General of the Communist Partido Guatemalteco del Trabajo (PGT), and Víctor Manuel GUTIERREZ, Communist Secretary General of the CGTG, along with high Government officials, on the roster of speakers at a ceremony to hand over the large state farm "Concepción" to its workers. Sr. Fortuny later described in the press the initial opposition of "Concepción" workers to the Agrarian Reform and their later change of attitude brought about by painstaking indoctrination during the past year.

The U.S.-owned Empresa Eléctrica addressed a letter to President Arbenz signifying its willingness to undertake the necessary expansion to meet a forthcoming power shortage if the Government would guarantee it continued exclusive services in its present area and indemnify it for certain losses arising from the construction of a rival Government electric plant.

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CONFIDENTIAL FILE

FILED AUG 31 1953

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(With Restricted Sections)

ACTION COPY — DEPARTMENT OF STATE

The action office must return this permanent record copy to DC/R files with an endorsement of action taken.

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DOMESTIC AFFAIRS
(Restricted)

Investigating Committee Discloses Subsurface of Corruption of Revolutionary Movement: The special Committee investigating charges that Sres. Ricardo Barrera and René Rubín, "independent" pro-Administration deputies-elect, were implicated in the March 1953 Salamá uprising (Weeka 32) reported to Congress this week that Deputy Alvaro Hugo Salguero, ex-Chief of President Arbenz' Information Office, was responsible for the forgery of a letter backdated to March stating that Sres. Barrera and Rubín would give the insurrectionists financial support and that this had led to the unjustified arrest of Sr. Barrera and the police surveillance of Sr. Rubín in an obvious maneuver to keep them out of Congress.

In defending himself on the floor of Congress Sr. Salguero handed over his .45 pistol to a fellow deputy, opened a copy of the Bible, read the passage about Samson's pulling down the pillars of the temple and launched into an hour-and-a-half exposé of what had occurred in the Alta Verapaz elections. He accused his opponents of buying the votes of Indian farm laborers and said he was being persecuted because he had not given Sr. Francisco CURLEY, departmental head of the Partido Acción Revolucionaria (PAR), as much money as he had wanted for vote buying. He charged that Sr. Curley had initially joined the PAR only because he had been paid to do so by Major Marco Antonio FRANCO, a deputy on the Investigating Committee, and accused Sr. Mariano AREVALO, brother of the ex-President, of supplying the names of 600 dead persons to vote for Sres. Barrera and Rubín.

The incident, which apparently was permitted to come before the public eye only because of a cleavage between Sr. Salguero and the dominant PAR clique, provided a rare but significant glimpse at the corruptions and rivalries which, rather than awakened democracy, supply the motive forces of the present regime's political support.

Communist Emphasis on Agrarian Reform Continues: The Communist emphasis on the implementation of the Agrarian Reform as the party's first task (Weeka 30) was again underscored at a Government ceremony on August 22 to hand over the 14,000-acre state farm "Concepción" to its farm workers by the presence of Sres. Fortuny, Secretary General of the Communist PGT, Gutiérrez, Communist Secretary General of the national labor federation CGTG, and Carlos Manuel PELLECER, Communist deputy from the Department of Escuintla, on the roster of the speakers. Since the other speakers included Maj. Alfonso MARTINEZ, the Chief of the National Agrarian Department who is known as

an intimate friend of President Arbenz, and Sr. Jaime DIAZ Rozzotto, Secretary General of the President's Executive Office the impression was conveyed to the Guatemalan public of continued close cooperation between the administration and the Communists in the implementation of the Agrarian Reform.

Sr. Fortuny, in a subsequent review of the ceremony in the Communist Tribuna Popular, admitted that the Agrarian Reform had not been uniformly well received by Guatemalan rural elements, stating that "About a year ago there were not more than three or four agricultural workers of those on 'Concepción' (out of 2,000) who were disposed to accept a plot of land" as virtually all were afraid that they would make less as independent farmers than they had as hired hands. He said that in the intervening year they had been patiently indoctrinated in the benefits of the law and maintained that the success of this method in winning 40% over proved that the "Agrarian Reform must not be 'imposed' on the workers and peasants" but that the work of persuasion was the pivot of its application in other areas.

In a further episode exposing Communist infiltration of the Agrarian Reform, a group of about fifty farm workers represented as "Communists" clashed over elections to the Local Agrarian Committee on August 26 with a larger group affiliated with the national agricultural federation CNCG at Yepocapa, about 50 miles southwest of Guatemala City. Several were reported in the press as receiving machete wounds, and Sr. Natzul AGUIRRE Cook, a Communist National Agrarian Department Inspector, was accused of instigating the "Communist" group.

AMERICAN INTERESTS
(Restricted)

Empresa Eléctrica Warns President Arbenz of Impending Power Shortage: In a further phase of the difficulties confronted by the U.S.-owned Empresa Eléctrica (Weeka 34), Mr. Stephen A. HAMMOND, Jr., the company's local manager, addressed a letter to President Arbenz on August 14 stating that a serious power shortage would result before completion of the Government's competing plant at Jurún in 1958, and that before undertaking the necessary expansion his company would want the Government to give assurances that (1) the company would be allowed to continue its services freely; (2) the company would be authorized to increase its rates to cover oil costs for new thermal equipment; (3) the Government would agree to indemnify the company for the kilowatt hours it would not be able to generate as a result of diversion of water

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to the Government's Jurún plant; (4) the energy produced in the Government plant would not be sold in the territory now served by the company; and (5) the Government would lend its good offices so that the national and municipal governments would pay their indebtedness to the company.

LABOR
(Unclassified)

CGTG Affiliates with WFTU: Sr. Víctor Manuel Gutiérrez, Secretary General of the CGTG, announced on August 27 that the World Federation of Trade Unions (WFTU) had accepted the affiliation of the CGTG (Weeka 34).

FOREIGN AFFAIRS
(Restricted)

Fourteen Salvadoran Exiles Arrive: Underscoring the degree to which Guatemala has become the haven for leftist political refugees from this area, fourteen Salvadoran refugees headed by Sr. Atilio MASBUN, ex-President of the General Association of Salvadoran University Students, arrived in Guatemala City on August 26 and were greeted at CGTG headquarters by Sr. Gutiérrez and Sr. Virgilio GUERRA Méndez. The latter is a Salvadoran by origin and a member of the Communist PGT Political Committee. The group was arrested in September 1952 by the Osorio Government's anti-Communist drive, expelled from El Salvador to Honduras on August 12, and reportedly imprisoned in Honduras before arriving here (San Salvador's Weeka 33).

MILITARY
(Confidential)

Departing Military Attaché to Washington Sees President: Colonel Enrique PERALTA, newly appointed Military Attaché to Washington (Weeka 34), reported he would reach Washington on September 1 and that Col. Arbenz had urged him in a farewell interview to do all in his power to develop and maintain cordial relationships with the U.S. military establishment.

Guatemala Declines Five of Six Courses at U.S. Army Schools: After requesting and obtaining six spaces at U.S. Army schools for the current fiscal year, the Guatemalan Army filled only one of them by appointing a junior officer for

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the Armor Officer Advanced Course at Fort Knox. Although this may be attributable to lack of funds, it is in line with the local Army's current attitude of keeping a watchful eye on U.S. policy towards permitting arms purchases and other forms of cooperation and meantime being evasive about formal U.S.-Guatemalan military relationships, as evidenced by its failure thus far to seek renewal of the U.S. Army and Air Mission agreements.

Rudolf E. Schoenfeld

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and routine

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